

# PBCOM VALUE EQUITY FUND

KEY INFORMATION & INVESTMENT DISCLOSURE STATEMENT | Mar 2023

## FUND FACTS

**Classification:** Value Equity Fund  
**Launch Date:** December 8, 2010  
**Minimum Investment:** PHP 5,000.00  
**Additional Investment:** PHP 1,000.00  
**Minimum Holding Period:** 30 calendar days

**Net Asset Value per Unit (NAVPU):** 132.6610  
**Total Fund NAV:** PHP 40.047 Million  
**Dealing Cut-Off:** 11:00 AM  
**Redemption Settlement:** 3 banking day (T+3)  
**Early Redemption Charge:** 0.25% of Redemption Value

## FEES

Trust fees: 1.50% p.a. PBCOM Trust & Wealth Management Group	External auditor fees*: 0.06% p.a. SGV & Co.	Third party custodian fees*: 0.002% p.a. NROSS/PDTC
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\*Calculated based on the total annual fees for the previous year divided by the average monthly NAV of the previous year.

## INVESTMENT OBJECTIVE AND STRATEGY

The Fund is a Philippine Peso denominated Unit Investment Trust Fund (UITF) which aims to provide its participants income and capital growth on a long term basis through investment in shares of stocks listed in the Philippine Stock Exchange Index.

## CLIENT SUITABILITY

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

The PBCOM Value Equity Fund Fund is suitable **only** for investors who:

- Have a aggressive risk profile
- Have a long term horizon
- Seek potentially higher returns through stock market investments

## KEY RISK AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

- **Interest Rate Risk.** This is the possibility for an investor to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
- **Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities (e.g., bonds and equities). It is the exposure to the uncertain market value of a portfolio due to price fluctuations.
- **Liquidity Risk.** This is the possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss. These may be caused by different reasons such as trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity or underdeveloped capital market.
- **Credit/Default Risks.** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other form of security which the borrower issued.
- **Reinvestment Risks.** This is the risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.
- **Foreign Exchange Risks.** This is the possibility for an investor to experience losses due to fluctuations in foreign exchange rates. The exchange rates depend upon a variety of global and local factors, e.g., interest rates, economic performance, and political developments.
- **Country Risks.** This is the possibility for an investor to experience losses arising from investments in securities issued by/ in foreign countries due to the political, economic and social structures of such countries.
- **Regulatory Risks.** Changes in laws and regulations that could adversely affect the value and return of the investment.
- **Other Risks.** This is the risk of potential conflict of interest in a related party transaction.

◆ THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)  
 ◆ RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY  
 ◆ WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT  
 ◆ THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE



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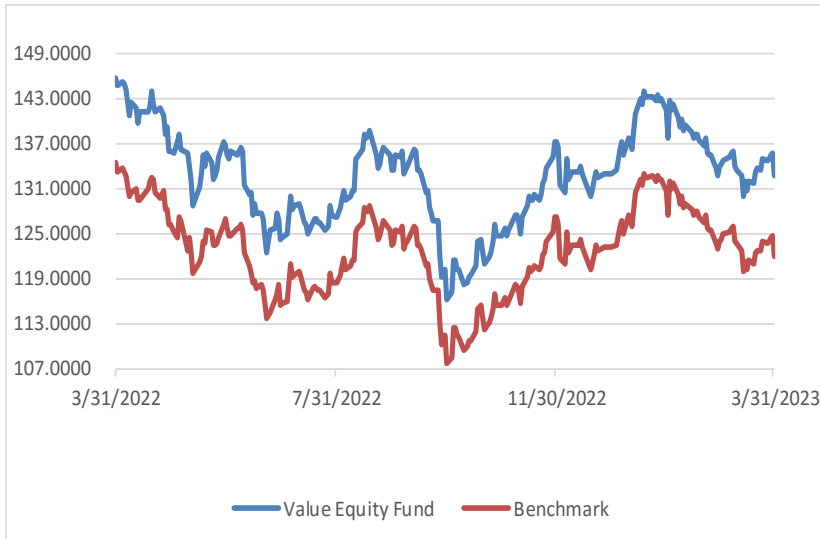
PBCOM

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## FUND PERFORMANCE AND STATISTICS *(Purely for reference purposes and not a guarantee of future results)*

### NAVPU Graph (Fund's NAVPU vs Benchmark)



### NAVPU over the past 12 months

	Date	NAVPU
<b>Highest</b>	March 31, 2023	145.8183
<b>Lowest</b>	Sept 30, 2022	116.2399

### Statistics

<b>Volatility, (Annualized)</b>	22.62%
<b>Sharpe Ratio**</b>	0.20%
<b>Information Ratio***</b>	0.2795

\*Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

\*\*Sharpe ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\*Information ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

### Cumulative Performance<sup>1</sup>

Period	1 mo	3 mos	6 mos	1 yr	3 yrs	YTD	Since Inception
<b>Fund<sup>2</sup></b>	-0.06%	-0.23%	14.13%	-9.02%	29.53%	-6.06%	32.66%
<b>Benchmark<sup>3</sup></b>	-0.86%	-1.02%	13.21%	-9.31%	26.67%	-8.75%	53.98%

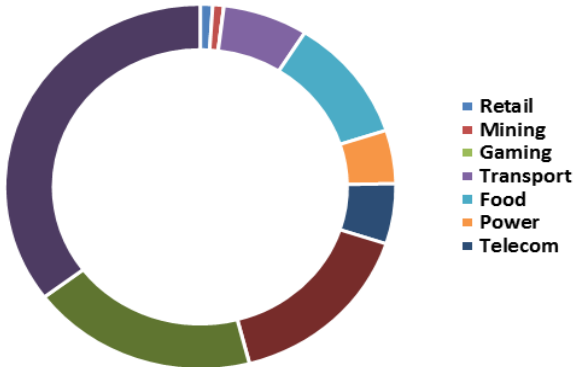
<sup>1</sup> Rates shown are absolute.

<sup>2</sup> Net of 1.50% Trust Fees. Past Performance is not indicative of future returns

<sup>3</sup> Benchmark is Philippine Stock Exchange Index (price only return)

## PORTFOLIO MIX

### Composition



### Top 10 Stocks

Stocks	% to NAV
SM Investment Corp.	14.28%
SM Prime Holdings	9.22%
Banco de Oro	8.23%
Bank of the Phil. Islands	6.13%
Ayala Land Inc.	6.00%
International Container Terminal Services, Inc.	5.82%
Ayala Corporation	5.24%
Universal Robina Corporation	4.17%
JG Summit Holdings, Inc.	4.16%
Metrobank	3.57%

## RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to PHP 160,252.75 which was approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

## PROSPECTIVE INVESTMENTS

The following are among the Fund's approved investment outlets where the Trustee intends to invest in depending on its availability or other market driven circumstances: Government Securities, Time Deposits.

## MARKET UPDATE

The local market remained in the doldrums in March after a steep fall (-2.2%) on the final day of the month. Month-on-month, the PSEi slipped 0.9% to 6,499.68. The local index closed lower in 1Q2023 by -1.02% YTD. The PSEi fell to an intra-day low of 6,330 (March 16) due to banking stress in US and Europe but managed to recover in the final two weeks of March, only to falter on the final trading day. The banking turmoil, including the fallout from the Silicon Valley Bank (SVB) and the liquidity distress on Credit Suisse, has hurt market confidence. Consequently, UBS has agreed to buy its rival Credit Suisse in an emergency rescue deal aimed at halting financial market panic.

Meanwhile, the Federal Reserve raised the policy rate by 25 basis points at the Fed's March 22 meeting, with the possibility for a pause suggesting the end of the hiking cycle campaign. This is a sharp turnaround from the hawkish expectations that prevailed earlier this month. This should bolster global market sentiment, given a possible pivot play as early as June. Federal Reserve would likely curb its aggressive rate hike trajectory to avoid aggravating financial system fallout following the failures of Silicon Valley Bank. Bargain hunting ensued in the final half of the month amid relative calmness in the US and European banking sectors coupled with play for the pause in the US interest rate hike cycle from the Fed. On the local front, BSP hiked the policy rate by 25bps to 6.25% as February inflation remained elevated at 8.6%.

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